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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Budget for the support account for peacekeeping operations for the period from 1 July 2013 to 30 June 2014: proposed resources as a result of the budget process review

Report of the Secretary-General

I. Introduction

1. To better support Member States in their review and decision on mission budgets, the Department of Management, the Department of Peacekeeping Operations and the Department of Field Support undertook a joint review of the annual budget functions carried out at Headquarters in support of peacekeeping operations. As stated by the Secretary-General in his report on the overview of the financing of the United Nations peacekeeping operations (A/66/679, para. 55), the goal of such a review was to: (a) streamline the current process; (b) maximize time available for strategic analysis and decision-making; and (c) clarify further the roles and responsibilities of the different stakeholders and departments at Headquarters and in the field involved in the budget development process. The General Assembly, in its resolution 66/264, endorsed the view of the Advisory Committee on Administrative and Budgetary Questions in paragraph 7 of its report containing its observations and recommendations on cross-cutting issues related to peacekeeping operations (A/66/718) that it was unconvinced that the current organizational structure was best suited to ensure clarity of responsibility and accountability for the presentation of budgets for peacekeeping operations and that it considered that the present budget development process was not optimal. The Assembly also endorsed the Advisory Committee's request that information on the results of the review undertaken be provided.

A. Process analysis

2. As noted above, and pursuant to the observations of the Advisory Committee, the responsibilities and accountability of the various actors in the field and at

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Headquarters in New York were a key factor in the analysis of requirements in preparing annual budget proposals for field missions. The Controller is responsible for ensuring the sound financial management of all resources made available to the Organization and their effective and efficient use (ST/SGB/2003/16). The Under-Secretaries-General for Peacekeeping Operations and Field Support are responsible to the Secretary-General for matters pertaining to the planning, establishment, direction, management and conduct of field operations (ST/SGB/2010/1) and the provision of strategic direction on the delivery of support components in the areas of human resources, finance, procurement, logistics and information and communications technology (ST/SGB/2010/2), respectively.

3. The current annual budget process for field missions is costly in terms of labour hours expended and has a long end-to-end cycle time (an average of seven months) for preparing, reviewing and submitting budget proposals totalling approximately $7 billion to governing bodies. In particular, issues with the current budget process for users and stakeholders are as follows:

(a) Allocation of resources across the process may not be optimal, with significant interaction between and resources spent in missions, the Field Budget and Finance Division in the Department of Field Support and the Peacekeeping Financing Division in the Office of Programme Planning, Budget and Accounts in the Department of Management in preparing, reviewing and revising a budget submission for each mission and preparing a budget report for submission to the General Assembly;

(b) Higher-than-desired amounts of time/resources across the end-to-end process are spent correcting/revising budget submissions versus time spent on analysis;

(c) Lack of clarity around roles/responsibilities across multiple stakeholders;

(d) Value added along the chain needs to be defined, for example agreement among the various stakeholders on the desired outcome/form/substance of the budget process;

(e) The division of responsibilities often compromises efforts to implement measures to address known concerns with the current budget process;

(f) Stakeholders in the missions and intergovernmental bodies do not feel that the current process meets their needs. The process is not always responsive to changing requirements; information and reports to the General Assembly are often provided late; and an abundance of data is often not useful for decision-making or matched with needed analysis.

B. Expected achievements of the proposed changes to the budget process

4. The revised budget process aims to improve the support provided to the General Assembly in its consideration of budgets by facilitating improved information and analysis, increasing the responsiveness of the process to changing requirements in missions and ensuring more timely reports through the efficient use of budget-related capacity. Accordingly, the desired end state for the process would:

(a) Ensure a more efficient and responsive budget process based on a shared vision of requirements and well-delineated roles and responsibilities/accountabilities:

(i) Single joint instructions issued by the Controller and the Under-Secretaries-General for Peacekeeping Operations and Field Support to start the annual budget process;

(ii) The Under-Secretaries-General for Peacekeeping Operations and Field Support will remain responsible for direction to missions with regard to mandate delivery and associated support, including strategic guidance on operations and resourcing priorities and the review and endorsement of budget requirements to ensure that they adequately reflect needs in the delivery of operations' mandates;

(iii) The Under-Secretaries-General for Peacekeeping Operations and Field Support will also remain responsible for the consideration and endorsement of mission budget proposals prior to their final approval by the Controller;

(iv) The Controller remains responsible for the final approval of budget submissions and facilitating intergovernmental deliberations by the General Assembly and decision-making;

(b) Improve the overall quality of budget submissions and address skill/knowledge gaps in budget tasks across missions;

(c) Engage Headquarters functions to work proactively with missions in preparing budget proposals before submission for final reviews and approvals;

(d) Improve budget preparation and reporting tools to allow easier input, reduce errors and simplify budget consolidation and reporting;

(e) Result in more robust and integrated budget application to support field budget development and Headquarters reporting capacity; greater attention to analysis rather than data collation; simplification/improvement of worksheets and capture of information;

(f) Eliminate the duplication of roles and practices between the Field Budget and Finance Division and the Peacekeeping Financing Division in reviewing detailed budget proposals submitted to Headquarters;

(g) Reduce the burden of duplicative and intermediate tasks and increase resources available for analysis and decision-making;

(h) Improve the content/format of budget documentation to ensure that information is more succinct, relevant and transparent; ensure that the needs of legislative bodies and senior leadership are met for appropriate decision-making;

(i) Ensure timeliness in the submission of reports in official languages to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee by streamlining and expediting the current process.

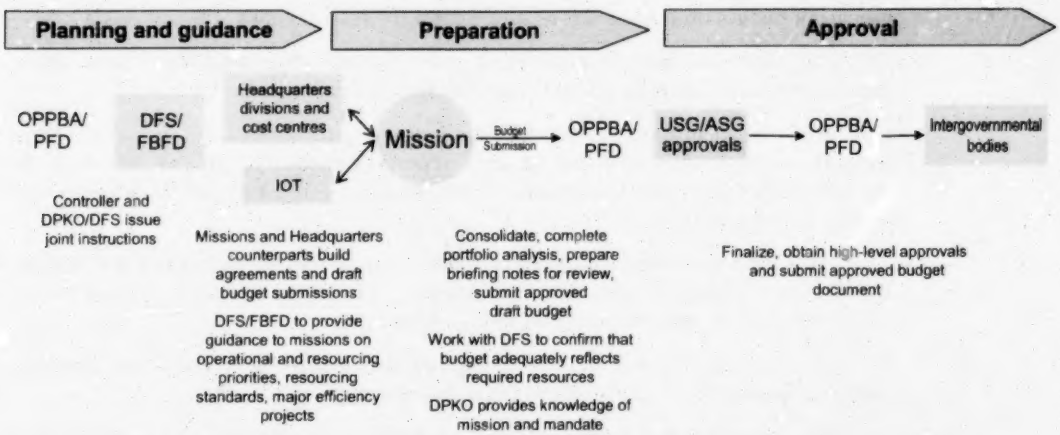
C. Proposed budget process

5. A senior-level working group under the leadership of the Under-Secretaries-General for Field Support and Management held a series of meetings to review the roles and responsibilities of the Budget and Performance

Reporting Service in the Field Budget and Finance Division in the Department of Field Support and the Peacekeeping Financing Division in the Office of Programme Planning, Budget and Accounts in the Department of Management. The review examined the evolution of those responsibilities, the budget process itself and the expectations of Member States with a view to streamlining and improving the process.

6. Taking into account the outcome of the review, the Peacekeeping Financing Division will assume an expanded role in the end-to-end budget preparation process, including preparing annual budget and performance reports from proposals submitted directly to the Controller by heads of mission. The Field Budget and Finance Division would fulfil its responsibilities in the delivery of strategic and operational support to field missions by continuing its focus on identifying major resourcing priorities, efficiencies and standard resourcing allocations across field missions. Furthermore, the Department of Peacekeeping Operations and the Department of Field Support, in accordance with General Assembly resolution 61/279 and subsequent resolutions, would lead and provide strategic guidance on operational and support requirements to field missions in the delivery of their mandates. Heads of mission would remain responsible for the preparation of their mission's budget in accordance with resolution 59/296 and all subsequent cross-cutting and mission-specific budget resolutions (see figure below).

Budget preparation process


Planning and guidance
Preparation
Approval
OPPBA/ PFD
DFS/ FBFD
Headquarters divisions and cost centres
IOT
Mission
Budget Submission
OPPBA/ PFD
USG/ASG approvals
OPPBA/ PFD
Intergovernmental bodies
Controller and DPKO/DFS issue joint instructions
Missions and Headquarters counterparts build agreements and draft budget submissions
DFS/FBFD to provide guidance to missions on operational and resourcing priorities, resourcing standards, major efficiency projects
Consolidate, complete portfolio analysis, prepare briefing notes for review, submit approved draft budget
Work with DFS to confirm that budget adequately reflects required resources
DPKO provides knowledge of mission and mandate
Finalize, obtain high-level approvals and submit approved budget document

Abbreviations: ASG, Assistant Secretary-General; DFS, Department of Field Support; DPKO, Department of Peacekeeping Operations; FBFD, Field Budget and Finance Division; IOT, integrated operational team; OPPBA/PFD, Office of Programme Planning, Budget and Accounts/Peacekeeping Financing Division; USG, Under-Secretary-General.

D. Proposed roles and responsibilities

7. The expanded role of the Peacekeeping Financing Division of the Department of Management would require the following changes in the budget process for the Division:

(a) The Controller and the Division would participate in the development by the Under-Secretaries-General for Peacekeeping Operations and Field Support, together with the heads of mission, of strategic guidance and major resourcing priorities for each mission at the outset of the budget development process;

(b) Budget instructions would be prepared in consultation with the Department of Field Support and the Department of Peacekeeping Operations with the aim of improving and streamlining the current budget development process. The Division would convene videoconferences with missions and offices of the Department of Field Support and the Department of Peacekeeping Operations to further guide and support the formulation of budget proposals, including results-based-budgeting frameworks, staffing and financial resource requirements;

(c) The Division would provide tools for improved analysis and reporting in budget formulation and improve procedures, methods and tools for peacekeeping budgeting;

(d) The Division would provide an integrated budget package to address weaknesses, improve functionality, reduce, where possible, the amount of input required by missions and rationalize the number/type of worksheets required to complete a budget submission, until Umoja budget modules are online;

(e) The Division would coordinate with missions and the Department of Field Support and the Department of Peacekeeping Operations as they assemble the budget documents;

(f) The Division would assume an expanded role by receiving the budget submission directly from the mission and would be responsible for reviewing submissions, managing additional reviews and preparing the budget proposal for the General Assembly, ensuring that the proposal is in conformity with the decisions of the Under-Secretaries-General for Peacekeeping Operations and Field Support on strategic resource requirements made at the beginning of the process;

(g) The Division would review the content/format required of budget reports and supplementary information to ensure that they meet the needs of the intergovernmental bodies (more information or greater clarity, as needed);

(h) The Division, in coordination with the Field Budget and Finance Division of the Department of Field Support, would enhance its outreach to field missions through mission visits and workshops to clarify the roles and timelines for the budget process and to provide technical advice and guidance on results-based budgeting, staffing and financial resource requirements.

8. With regard to the Field Budget and Finance Division, the proposed changes are a further step towards the measures agreed in resolution 65/290, in which the General Assembly endorsed the recommendation contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/65/827), that the Division's Budget and Performance Reporting Service be reorganized so that its focus is strengthened on priorities within the key themes of policy guidance and coordination, strategic resourcing and capacity development. In this regard, the Division would give further attention to the "front end" of the annual budget development process in focusing on the following:

(a) Continuing the coordination of an integrated process in the Department of Peacekeeping Operations and the Department of Field Support at the beginning of

the budget process, with participation from the Controller, to develop and approve strategic operational guidance and major resourcing priorities, including major assets acquisitions, for each field mission;

(b) Coordinating the convening of meetings (videoconferences), including the preparation of materials, of the Under-Secretaries-General for Peacekeeping Operations and Field Support with the head of mission and the Controller to discuss, identify and agree on the strategic priorities of the mission for the upcoming fiscal year and the resourcing requirements associated with those strategic priorities;

(c) Development of resourcing standards that recognize budgetary imperatives and comparative requirements across missions;

(d) Ensuring the implementation and realization of benefits of efficiency projects, including support for the Resource Efficiency Group.

9. In addition, the Field Budget and Finance Division would provide support to the Under-Secretaries-General for Field Support and Peacekeeping Operations in fulfilling their responsibility and meeting their accountability with regard to the consideration and endorsement of budget proposals; and coordinate and represent the Department of Field Support and the Department of Peacekeeping Operations in presenting resourcing requirements for field missions to the governing bodies.

10. An added emphasis in activities at the beginning of the budget process, including strategic guidance on major resourcing priorities and standard resourcing allocations, is intended to support improved efficiency and responsiveness in the revised budget process. In addition, the Field Budget and Finance Division would continue to coordinate and provide direct support to the planning and development of resourcing requirements for new field missions and missions in transition as needed.

II. Proposed staffing resources

Department/office	*Approved staffing 2012/13*	*Redeployment, reassignment, reclassification, abolishment, discontinuation*	*General temporary assistance conversions*	*Total proposed 2013/14*	*Change*
Posts					
Department of Field Support/Field Budget and Finance Division/ Budget and Performance Reporting Service	46	(12)	–	34	(12)
Department of Management/Office of Programme Planning, Budget and Accounts/Peacekeeping Financing Division	33	11	1	45	12
Subtotal	**79**	**(1)**	**1**	**79**	–

Department/office	*Approved staffing 2012/13*	*Redeployment, reassignment, reclassification, abolishment, discontinuation*	*General temporary assistance conversions*	*Total proposed 2013/14*	*Change*
General temporary assistance positions					
Department of Field Support/Field Budget and Finance Division/ Budget and Performance Reporting Service	–	–	–	–	–
Department of Management/Office of Programme Planning, Budget and Accounts/Peacekeeping Financing Division	2	–	(1)	1	(1)
Subtotal	**2**	**–**	**(1)**	**1**	**(1)**
Total	**81**	**(1)**	**–**	**80**	**(1)**

11. The outcome of the review has led to an internal exercise to reassign responsibilities and redeploy resources, within the existing resources of the Secretariat, to implement improvements to the budgetary process at Headquarters with respect to peacekeeping operations. The exercise will strengthen the capacity of the Peacekeeping Financing Division to reflect this expanded role in the streamlined budgetary process. The two Departments will review the results of this transition to identify areas for improvement.

12. It was originally envisaged that, given the outcome of the review on the budgetary process at Headquarters with respect to peacekeeping missions, three posts (1 P-4, 1 P-2 and 1 GS (OL)) would be abolished in the Field Budget and Finance Division and one of the two currently approved general temporary assistance positions of Finance and Budget Officer (P-3) in the Peacekeeping Financing Division would not be continued.

13. After further review, it was decided that 12 additional support account posts would be necessary in the Peacekeeping Financing Division to transition to the improved budget process. Accordingly, it is proposed that two posts (1 P-4 and 1 GS (OL)) in the Field Budget and Finance Division, previously proposed to be abolished, be transferred to the Peacekeeping Financing Division. In addition, it is proposed that nine posts (3 P-4, 3 P-3 and 3 GS (OL)) be reassigned/redeployed from the Field Budget and Finance Division to strengthen the capacity of the Peacekeeping Financing Division. The proposed abolishment of the P-2 post in the Field Budget and Finance Division, as originally planned, would continue to reflect savings from the streamlined budget process. In addition to 11 posts (4 P-4, 3 P-3 and 4 GS (OL)) to be reassigned/redeployed from the Field Budget and Finance Division to strengthen the capacity of the Peacekeeping Financing Division, it is proposed that one of two currently approved general temporary assistance positions (P-3) be converted to a post, rather than be discontinued. Therefore, the Peacekeeping Financing Division would have a total of 12 additional support account posts (4 P-4, 4 P-3 and 4 GS (OL)) to carry out its expanded programme of work.

14. In addition to support for budgetary considerations, and in line with the reorganization approved by the General Assembly in its resolution 65/290, the Budget and Performance Reporting Service allocates its efforts to the development of the capacity of field financial functions, strategic resourcing analysis and advice to field missions in relation to finance and regulatory issues. The Field Budget and Finance Division also continues to provide support to troop- and police-contributing countries in preparing memorandums of understanding, assessing payments for contingent-owned equipment, facilitating the work and outcomes of the Working Group on Contingent-Owned Equipment and considering compensation claims for the death or disability of uniformed personnel. The Budget and Performance Reporting Service also provides direct support and planning for new or transitioning missions.

15. While it is intended that the recommendations from the review will begin to be implemented in the context of preparing the 2014/15 budgets of peacekeeping missions, the totality of improvements in the budget process will take more than one budget cycle. The transfer of staff from the Field Budget and Finance Division will assist in transferring needed skills and knowledge during the transition.

III. Required changes to the current budget process: analysis of resource requirements

A. Field Budget and Finance Division

16. The mandate of the Field Budget and Finance Division was established by the General Assembly in its resolution 61/279. The functions of the Division are set out in the Secretary-General's bulletin on the organization of the Department of Field Support (ST/SGB/2010/2). The Budget and Performance Reporting Service of the Division was subsequently reorganized in accordance with Assembly resolution 65/290 and the observations of the Advisory Committee contained in document A/65/827.

17. For the period 2013/14, the Field Budget and Finance Division will focus on a number of critical areas within its four core pillars of coordination and policy guidance, strategic resourcing, capacity development and support to Member States. Among the challenges emerging during the budget period will be direct support and process improvements in field operations to facilitate the first year of implementation of the International Public Sector Accounting Standards (IPSAS) and Umoja, as well as support for the triennial Working Group on Contingent-Owned Equipment to be held early in 2014.

18. In continuing to ensure that each field operation is appropriately and cost-effectively resourced, the Division will also concentrate its work on: supporting the oversight of major resourcing priorities across field operations by the Under-Secretaries-General for Field Support, Peacekeeping Operations and Political Affairs; coordinating the ongoing development and implementation of standard resource allocations and major resource efficiency projects; and providing support in securing funding and establishing financial operations for new or expanding missions.

19. Separately, the planning of and direct support for the resourcing requirements of new field missions is increasingly likely to be a major aspect of the Division's work in 2013/14. The Division will also continue to administer the remaining administrative affairs and reporting obligations of a number of missions for which field operations have been liquidated, including the newly closed United Nations Integrated Mission in Timor-Leste (UNMIT).

20. Pursuant to the outcome of the review of the budget development process, it is proposed that the Field Budget and Finance Division increasingly focus its efforts on the strategic management of mission resources, the provision of strategic guidance to missions on resource requirements, including through the work of the Resource Efficiency Group, and the monitoring of mission expenditures, noting that such an enhanced role in the strategic oversight and management of resources is fully consistent with the evolving role of the Department of Field Support at Headquarters in the context of the global field support strategy.

1. Human resources requirements

Category	*Approved staffing 2012/13*	*Redeployment, reassignment, reclassification, abolishment, discontinuation*	*General temporary assistance conversions*	*Total proposed 2013/14*	*Change*
Posts					
Professional and higher					
Under-Secretary-General	–	–	–	–	–
Assistant Secretary-General	–	–	–	–	–
D-2	1	–	–	1	–
D-1	1	–	–	1	–
P-5	3	–	–	3	–
P-4	15	(4)	–	11	(4)
P-3	21	(3)	–	18	(3)
P-2/P-1	2	(1)	–	1	(1)
Subtotal	**43**	**(8)**	**–**	**35**	**(8)**
General Service and related					
Principal level	4	–	–	4	–
Other level	27	(4)	–	23	(4)
Subtotal	**31**	**(4)**	**–**	**27**	**(4)**
Total	**74**	**(12)**	**–**	**62**	**(12)**

2. Justification of posts

21. Given the outcome of the review on the budgetary process at Headquarters with respect to peacekeeping missions, it is proposed that responsibilities be changed and 11 posts (4 P-4, 3 P-3 and 4 GS (OL)) be reassigned/redeployed from the Field Budget and Finance Division to strengthen the capacity of the

Peacekeeping Financing Division. In addition, a further post (1 P-2) would be abolished in line with the streamlined budgetary process.

22. Remaining staffing levels are critical to the Division's capacity to provide an array of support for field missions, Department leadership and Member States. As identified in the review of the field budget process, the Field Budget and Finance Division will continue to coordinate integrated processes within the Department of Field Support and the Department of Peacekeeping Operations to provide strategic guidance to each mission on operational and resourcing priorities at the outset of the annual budget process, and in supporting a final review and endorsement of budget proposals by the Under-Secretaries-General for Field Support and Peacekeeping Operations.

23. Separately, the Field Budget and Finance Division will continue to coordinate the preparation of memorandums of understanding for all contingents newly deployed to new and existing field missions, the assessment and certification of payments for all reimbursements of contingent-owned equipment and the assessment of death and disability compensation claims for uniformed personnel. In addition, the Division provides supports for the development of skills, processes and systems across the budget and finance functions of all field missions, including the development and implementation of Umoja and IPSAS, as well as service centres and other back-office functions. The Division also provides expertise in recruiting all field financial staff.

24. The Division must also maintain the capacity to divert resources as needed in providing the principal support for the planning and development of resource requirements for new field missions and missions in transition.

3. Financial resource requirements

(Thousands of United States dollars)

	Expenditures (2011/12)	*Apportionment (2012/13)*	*Cost estimates (2013/14)*	*Variance*	
				Amount	*Percentage*
Category	*(1)*	*(2)*	*(3)*	*(4)=(3)-(2)*	*(5)=(4)÷(2)*
I. Post resources	10 445.7	10 227.7	9 485.5	(742.2)	(7.3)
II. Non-post resources					
Consultants	75.2	–	–	–	–
Official travel	287.7	111.2	664.3	553.1	497.4
Other supplies, services and equipment	–	–	1 302.8	1 302.8	–
Subtotal II	**362.9**	**111.2**	**1 967.1**	**1 855.9**	**1 669.0**
Total	**10 808.6**	**10 338.9**	**11 452.6**	**1 113.7**	**10.8**

B. Office of Programme Planning, Budget and Accounts, Peacekeeping Financing Division

25. The mandate of the Office of Programme Planning, Budget and Accounts was established by the General Assembly in its resolution 13 (I). The functions of the Office are set out in Secretary-General's bulletin ST/SGB/2003/16.

26. The Peacekeeping Financing Division is responsible for providing guidance on policies, procedures and methodology for estimating the resource requirements of active peacekeeping operations, the United Nations Logistics Base at Brindisi, Italy (UNLB), and the support account for peacekeeping operations; preparing annual budget and budget performance reports for peacekeeping operations, UNLB and the support account, and final performance and disposition of assets reports for closed missions, as well as ad hoc reports on administrative and budgetary aspects; and providing substantive services to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee. The Division is also responsible for monitoring the cash-flow status of the individual special accounts for peacekeeping operations, authorizing payments to Governments for the settlement of certified contingent-owned equipment claims, determining average monthly troop strengths to establish amounts reimbursable and initiating subsequent payments for troop and formed police unit cost reimbursement to Governments.

27. Pursuant to the outcome of the review, it is proposed that the Peacekeeping Financing Division assume an expanded role in the end-to-end budget preparation process, including preparing budget reports from budget proposals submitted directly to the Controller by heads of mission. In doing so, the Division would be responsible for submitting approved budget documents, as well as confirming that strategic guidance from the Under-Secretaries-General for Field Support and Peacekeeping Operations, as well as the Controller, has been followed in submissions received from field missions. The Peacekeeping Financing Division would participate in the process coordinated by the Field Budget and Finance Division for the two Under-Secretaries-General to develop strategic priorities for mandate delivery and major resources for each mission at the outset of the annual budget process. In addition, the Peacekeeping Financing Division would enhance its outreach to field missions through mission visits and workshops in order to explain budget requirements under the new budget process and review budget proposals submitted to the Controller.

28. The accountability of the heads of mission and the Under-Secretaries-General for Peacekeeping Operations, Political Affairs and Field Support would be preserved with regard to strategic guidance on operations and resourcing. The Under-Secretary-General for Peacekeeping Operations would still be accountable with regard to directing, managing and providing political and policy guidance and strategic direction to all operations under the Department's responsibility. The Under-Secretary-General for Field Support would still be accountable for the provision of strategic direction on the delivery of support components in the areas of human resources, finance, procurement, logistics and information and communications technology, including oversight to ensure the responsible management and stewardship of financial resources. Heads of mission would remain responsible for their mission's budget proposals.

1. Human resources requirements

Category	*Approved staffing 2012/13*	*Redeployment, reassignment, reclassification, abolishment, discontinuation*	*General temporary assistance conversions*	*Total proposed 2013/14*	*Change*
Posts					
Professional and higher					
Under-Secretary-General	–	–	–	–	–
Assistant Secretary-General	–	–	–	–	–
D-2	1	–	–	1	–
D-1	1	–	–	1	–
P-5	4	–	–	4	–
P-4	10	4	–	14	4
P-3	8	3	1	12	4
P-2/P-1	–	–	–	–	–
Subtotal	**24**	**7**	**1**	**32**	**8**
General Service and related					
Principal level	–	–	–	–	–
Other level	9	4	–	13	4
Subtotal	**9**	**4**	**–**	**13**	**4**
Total	**33**	**11**	**1**	**45**	**12**
General temporary assistance positions					
Professional and higher					
P-3	2	–	(1)	1	(1)
Total, posts and positions	**35**	**–**	**–**	**46**	**11**

2. Justification of posts

29. The approved staffing establishment of the Peacekeeping Financing Division comprises 33 posts (1 D-2, 1 D-1, 4 P-5, 10 P-4, 8 P-3 and 9 GS (OL)) and two general temporary assistance positions (P-3) funded from the support account. Approximately 50 per cent of staff time is spent preparing budget performance and budget reports.

30. For the 2013/14 period, the approved staffing establishment of the Division will be engaged in the preparation of budget/performance reports for 13 active field operations (including the United Nations Support Office for the African Union Mission in Somalia (UNSOA)), four missions under various stages of closing (the United Nations Mission in the Central African Republic and Chad (MINURCAT), the United Nations Mission in the Sudan (UNMIS), the United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS) and UNMIT) and UNLB, the support account and cross-cutting reports, as well as monitoring and providing day-

to-day guidance on budgetary and financial matters to field and Headquarters clients.

31. The Secretary-General recommends that the Peacekeeping Financing Division assume the end-to-end oversight of the budget preparation process, ensuring clear and transparent accountability for budget preparation. The Division is not adequately staffed to cope with the additional workload, namely receiving submissions directly from missions and coordinating with counterparts in the Department of Field Support and the Department of Peacekeeping Operations and missions as they prepare budget documents.

32. In order to carry out its expanded programme of work, the Division would require 11 additional support account posts (4 P-4, 3 P-3 and 4 GS (OL)), and the conversion of one of the two approved general temporary assistance positions to a post (P-3). The proposed additional posts would take on the tasks described in paragraph 7 above. The proposed strengthened capacity would result in higher-quality reports to the legislative bodies.

33. Currently, 17 field missions (13 active missions, including UNSOA, and 4 missions under various stages of closing (MINURCAT, UNMIS, UNSMIS and UNMIT)) and trust funds are assigned to three sections, each of which is managed by a P-5 Section Chief reporting to the Director or the Deputy Director. Each of the three sections comprises four or five P-3/P-4 Finance and Budget Officers and two Finance and Budget Assistants (GS (OL)), who are assigned five to seven active/liquidated missions/trust funds. The sections work under numerous tight deadlines that are usually set to meet the calendars of the legislative bodies. To facilitate the proper review and analysis of budgetary reports and provide the level of support and oversight needed to achieve the high quality and timeliness required, it is proposed that the sections be strengthened with the addition of five Finance and Budget Officer (3 P-4 and 2 P-3) posts and three Finance and Budget Assistant (GS (OL)) posts.

34. The Finance and Budget Officers (3 P-4 and 2 P-3) would be responsible for reviewing and analysing data with respect to the finalization of budget submissions, including results-based-budgeting frameworks, staffing and cost estimates, as well as providing support to Headquarters and field managers with respect to the elaboration of resource requirements for budget submissions. They would coordinate with missions, the Department of Field Support and the Department of Peacekeeping Operations as they assemble the budget documents, and would be managing additional reviews and preparing the budget proposals for the General Assembly, ensuring that the proposals are in conformity with the decisions of the Under-Secretaries-General for Peacekeeping Operations and Field Support on strategic resource requirements made at the beginning of the process and that the content of budget reports and supplementary information meet the needs of the intergovernmental bodies. They will provide the sections with the much-needed capacity for the speedy completion of mission budget submissions, with draft reports to be finalized by mid-December each year. The Finance and Budget Officers would also provide substantive support to relevant intergovernmental and expert bodies in their budget reviews and assist in securing approval from legislative bodies.

35. The Finance and Budget Assistants (3 GS (OL)) would support the Finance and Budget Officers in the three sections by preparing supporting documents with

respect to the finalization of cost estimates and performance reports. The Assistants would undertake research and provide support to their Finance and Budget Officers with respect to budgetary tasks.

36. As a result of strengthening the staffing of the Sections, the Section Chiefs would be able to change their focus towards strategic analysis of peacekeeping budgeting and away from operational-level reviews of budget submissions. It is expected that the strengthened capacity of the sections would improve the peacekeeping budget process, namely formulation, execution and reporting; reduce the burden of non-value administrative tasks and increase time available for analysis and decision-making.

37. A fourth section, led by a P-5 Section Chief and comprising four P-3/P-4 Finance and Budget Officers and two Finance and Budget Assistants (GS (OL)), is responsible for the support account, UNLB and cross-cutting issues, including overview and closed missions reports, templates for budget instructions, budget and performance reports, international staff budget rates, troop cost liabilities and the funds monitoring tool. Within the section, it is proposed that a new team dedicated to policy guidance, coordination strategy and capacity development be established with a staffing establishment of three Finance and Budget Officer posts (1 P-4 and 2 P-3), including the proposed conversion of one general temporary assistance position to a post (P-3), and one Finance and Budget Assistant post (GS (OL)).

38. The Division proposes the addition of these new posts (1 P-4, 2 P-3 and 1 GS (OL)) to address the gaps that have been identified, through the following measures: (a) focus reviews on the strategic or policy level, rather than on transactional detail; (b) improve the overall quality of budget submissions by undertaking a review of draft reports of the Secretary-General to ensure consistency and quality; (c) better align results-based-budgeting frameworks and resource proposals; (d) provide and maintain a common database and data to prepare budgets and provide for the availability of analytical tools at Headquarters; (e) lead the Division's participation in such Organization-wide projects as Umoja and IPSAS; (f) address skills/knowledge gaps in budgets through the preparation and update of standard operating procedures and training materials for Division staff, Headquarters and field clients and outreach to field missions; (g) improve budget preparation and reporting tools to allow easier input, reduce errors, simplify budget consolidation and reporting; and (h) improve the content and structure of budget and performance reports to make them more useful to intergovernmental committees.

39. The responsibilities of the staff would be to support the work of the Division through advice, guidance and training on policies, practices and processes in budget and finance, including in relation to Umoja and IPSAS. The incumbents would be responsible for overseeing the development, coordination and implementation of support services to the field, including policies and standards, aimed at improving the quality, timeliness and consistency of budget formulation, budget implementation, monitoring of resources utilization, and reporting. The incumbents would oversee and guide the preparation of cross-cutting guidance material, including policies, procedures and recommendations of legislative bodies, to be used by the Division in providing joint instructions with the Department of Field Support and the Department of Peacekeeping Operations to field missions on the preparation of budget proposals and performance reports. In addition, the incumbents would liaise and coordinate with missions and other sections to provide

responses on all legislative issues and the implementation of recommendations of the Advisory Committee on Administrative and Budgetary Questions and the General Assembly, as well as providing support in responding to the Board of Auditors and the Office of Internal Oversight Services. Furthermore, the incumbents would be responsible for providing advice, guidance and training to Division and field staff on budgetary policies and procedures related to results-based-budgeting elements of field mission budgets. The incumbents would also conduct research on and analyse budgetary and financial policies and procedures, make recommendations for changes and/or modifications and maintain updated guidelines to ensure that financial management in missions complies with United Nations policies and procedures.

40. Given the outcome of the review of the budgetary process at Headquarters with respect to peacekeeping missions and the expected increased workload, it is proposed that one of two general temporary assistance positions of Finance and Budget Officers (P-3) be converted to a post. The responsibilities of the incumbent would include the development/update of standard operating procedures and training/guidance materials for budget formulation and implementation for staff in field missions and at Headquarters (as mentioned in the paragraphs above). The incumbent would be a focal point in the Division responsible for contributing to the development of the training modules. The incumbent would also support the Director and the Deputy Director in the Division's participation in such Organization-wide projects as Umoja and IPSAS and assist with the preparation of a systematic training plan for Division staff.

41. The development of procedures and training materials and the organization of training workshops for field mission personnel are essential to supporting field mission and Headquarters personnel, given the high turnover of staff. The most recent budget workshop for Chiefs/Directors of Mission Support and Chief Budget Officers was held in 2006, and there is a need for the Division to enhance its outreach and support to field missions. This work will be done in cooperation with the Field Budget and Finance Division.

42. Currently, the Division has no dedicated staff to support the review and update of existing standard operating procedures and training/guidance materials or the preparation of new ones; accordingly, appropriate focused attention is not being given to those tasks. The function is currently being undertaken, to the extent possible, by existing staff, in addition to their principal duties and only to the extent that their principal duties permit. The incumbents would take the lead on capacity development in order to better position the Division for the introduction of IPSAS and Umoja, as well as establish and implement training programmes for budget officers and assistants. The Division has also identified the need to enhance its outreach to field missions through mission visits and workshops, which would be coordinated and supported by the position. With respect to the development of standard operating procedures and training materials, various audit recommendations identified a shortfall in this regard.

3. Justification of general temporary assistance positions

43. It is proposed that one general temporary assistance position of Finance and Budget Officer (P-3) be continued to provide support to MINURCAT and UNMIT. His/her responsibilities would include: (a) the preparation of the disposition of

assets report, financial backstopping and closure of the related trust fund for MINURCAT; and (b) the preparation of the performance report for the liquidation period of UNMIT. The complete closure of other peacekeeping missions that were terminated in recent years took an average of three fiscal years after liquidation, for which a series of reports are prepared for submission to the General Assembly (a performance report for the liquidation period, a final disposition of assets report and a final performance report). On the basis of this experience, it is expected that the workload with respect to MINURCAT and UNMIT would continue for three fiscal periods after the 2010/11 and 2012/13 periods, until the final performance report for the mission has been presented to the Assembly and the mission has been declared closed under the agenda item "Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations".

4. Financial resource requirements: Office of Programme Planning, Budget and Accounts

(Thousands of United States dollars)

	Expenditures (2011/12)	*Apportionment (2012/13)*	*Cost estimates (2013/14)*	*Variance*	
				Amount	*Percentage*
Category	*(1)*	*(2)*	*(3)*	*(4)=(3)-(2)*	*(5)=(4)÷(2)*
I. Post resources	13 725.8	14 315.1	17 211.9	2 896.8	20.2
II. Non-post resources					
General temporary assistance	2 144.5	1 113.0	1 374.9	261.9	23.5
Consultants	597.1	3 351.9	3 364.0	12.1	0.4
Official travel	174.0	444.5	739.0	294.5	66.3
Information technology	830.9	1 097.9	879.9	(218.0)	(19.9)
Other supplies, services and equipment	207.8	272.0	256.6	(15.4)	(5.7)
Subtotal II	**3 954.3**	**6 279.3**	**6 614.4**	**335.1**	**5.3**
Total	**17 680.1**	**20 594.4**	**23 826.3**	**3 231.9**	**15.7**

44. In addition, adjustments will be made to cover requirements that are centrally administered by the Executive Office on behalf of the Department of Management, such as information technology equipment, standard rental of premises and alterations, improvements and furniture (in practice, this should be a simple transfer of resources, not an increase).

IV. Actions to be taken by the General Assembly

45. **The actions to be taken by the General Assembly are as follows:**

(a) **To approve additional requirements in the amount of $15,050,200 for the 12-month period from 1 July 2012 to 30 June 2013;**

(b) **To approve the support account requirements in the amount of $309,296,500 for the 12-month period from 1 July 2013 to 30 June 2014;**

(c) To apply the unencumbered balance of $6,000 in respect of the financial period from 1 July 2011 to 30 June 2012 to the support account requirements for the period from 1 July 2013 to 30 June 2014;

(d) To apply the total amount of other income amounting to $3,134,900, comprising interest income ($883,400), other miscellaneous income ($111,300), cancellations of prior-period obligations ($2,141,300) and prior-period adjustments ($1,100), in respect of the period from 1 July 2011 to 30 June 2012 to the support account requirements for the period from 1 July 2013 to 30 June 2014;

(e) To apply the excess of the authorized level of the Peacekeeping Reserve Fund in respect of the financial period ended 30 June 2012 in the amount of $1,245,800 to the support account requirements for the period from 1 July 2013 to 30 June 2014;

(f) To prorate the balance of $304,909,800 among the budgets of the active peacekeeping operations for the financial period from 1 July 2013 to 30 June 2014.

Annex

Financial resources

(Thousands of United States dollars; budget period is from 1 July to 30 June)

Category	Expenditures (2011/12) (1)	Apportionment (2012/13) (2)	Cost estimates (2013/14) (3)	Variance Amount (4)=(3)-(2)	Variance Percentage (5)=(4)÷(2)
I. Post resources	201 269.6	192 114.3	220 119.2	28 004.9	14.6
II. Non-post resources					
General temporary assistance	22 077.9	18 390.3	12 526.6	(5 863.7)	(31.9)
Consultants	3 583.5	5 699.6	5 779.3	79.7	1.4
Official travel	11 632.1	9 746.7	11 194.6	1 447.9	14.9
Facilities and infrastructure	21 875.4	20 412.1	22 347.1	1 935.0	9.5
Communications	2 505.2	2 444.6	3 086.9	642.3	26.3
Information technology	21 210.7	16 729.0	17 493.0	764.0	4.6
Other supplies, services and equipment	13 446.8	15 118.8	16 749.8	1 631.0	10.8
Subtotal II	**96 331.6**	**88 541.1**	**89 177.3**	**636.2**	**0.7**
Total, I and II	**297 601.2**	**280 655.4**	**309 296.5**	**28 641.1**	**10.2**
Enterprise resource planning	47 185.2	37 337.6	18 668.8	(18 668.8)	(50.0)
Gross requirements	**344 786.4**	**317 993.0**	**327 965.3**	**9 972.3**	**3.1**
Staff assessment income	27 789.3	28 836.4	25 099.3	(3 737.1)	(13.0)
Net requirements	**316 997.1**	**289 156.6**	**302 866.0**	**13 709.4**	**4.7**

Human resources

Category	2012/13 Posts	2012/13 General temporary assistance positions[a]	2012/13 Total	2013/14 Posts	2013/14 General temporary assistance positions	2013/14 Total	Change Posts	Change General temporary assistance positions	Change Total
Professional and higher									
Under-Secretary-General	–	–	–	–	–	–	–	–	–
Assistant Secretary-General	–	–	–	–	–	–	–	–	–
D-2	8	–	8	9	–	9	1	–	1
D-1	23	3	26	27	1	28	4	(2)	2
P-5	116	5	121	119	2	121	3	(3)	–
P-4	405	31	436	411	12	423	6	(19)	(13)
P-3	290	55	345	308	33	341	18	(22)	(4)
P-2/P-1	29	4	33	28	4	32	(1)	–	(1)
Subtotal	**871**	**98**	**969**	**902**	**52**	**954**	**31**	**(46)**	**(15)**

Category	2012/13 Posts	2012/13 General temporary assistance positions	2012/13 Total	2013/14 Posts	2013/14 General temporary assistance positions	2013/14 Total	Change Posts	Change General temporary assistance positions	Change Total
General Service and related									
Principal level	30	2	32	31	1	32	1	(1)	–
Other level	336	33	369	336	22	358	–	(11)	(11)
National level	24	2	26	29	–	29	5	(2)	3
Field Service	29	–	29	27	–	27	(2)	–	(2)
Security Service	3	–	3	3	–	3	–	–	–
United Nations Volunteers	1	–	1	–	–	–	(1)	–	(1)
Subtotal	**423**	**37**	**460**	**426**	**23**	**449**	**3**	**(14)**	**(11)**
Total	**1 294**	**135**	**1 429**	**1 328**	**75**	**1 403**	**34**	**(60)**	**(26)**

[a] General temporary assistance includes one position approved in 2012/13 for the Office of Staff Legal Assistance, pursuant to General Assembly resolution 67/241.

Overview of financial and human resources for peacekeeping operations, 2008-2013

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 (proposed)
Budget levels (millions of United States dollars)						
UNLB	45.8	58.0	68.2	68.5	68.6	68.9
Support account	282.4	294.0[a]	306.8[a]	297.6[a]	280.7[a]	309.3[a]
Subtotal	**328.2**	**352.0**	**375.0**	**366.1**	**349.3**	**378.2**
Peacekeeping missions and UNSOA	6 974.0	7 479.2	7 391.6	7 422.0	6 937.5	6 815.2
Total	**7 302.2**	**7 831.2**	**7 766.6**	**7 788.1**	**7 286.8**	**7 193.4**
Support account and UNLB as a percentage of peacekeeping missions and UNSOA	4.7	4.7	5.1	4.9	5.0	5.5
Number of missions						
Peacekeeping missions and UNSOA[b]	17	16	16	16	14	15
Number of personnel						
Military and police personnel authorized by the Security Council	117 020	113 613	111 537	112 554	110 098	99 373
Civilian staff in missions	28 665	26 927	26 391	24 291	23 694	21 167
Support account posts	1 220	1 245	1 311	1 295	1 294	1 328

Abbreviations: UNLB, United Nations Logistics Base at Brindisi, Italy; UNSOA, United Nations Support Office for the African Union Mission in Somalia.

[a] Excluding provisions for enterprise resource planning.

[b] Including the United Nations Military Observer Group in India and Pakistan and the United Nations Truce Supervision Organization, which are funded from the biennial programme budget.

Analysis of resource requirements

(Thousands of United States dollars)

Approved 2012/13	280 655.4
Net reduction of 29 posts and general temporary assistance positions[a]	(4 545.9)
Resources for the Office of the United Nations High Commissioner for Human Rights	690.8
Reduced vacancy rates	20 572.8
Higher common staff costs	2 090.8
Updated standard salary costs	3 501.3
After-service health insurance costs	402.8
Triennial Working Group on Contingent-Owned Equipment	1 817.3
Renewed lease rate for rental of premises	1 693.6
Revised communications rates	826.4
United Nations Operations Crisis Centre and the Peacekeeping Situation Centre	571.4
Training under the Policy, Evaluation and Training Division of the Department of Peacekeeping Operations	318.0
Other net increases	701.8
Proposed 2013/14	309 296.5

[a] Excludes the first-time post proposal for the Office of the United Nations High Commissioner for Human Rights.